



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

ANNUAL AUDIT REPORT

on the

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.

For the years ended December 31, 2024 and 2023

EXECUTIVE SUMMARY

INTRODUCTION

The LANDBANK Countryside Development Foundation, Inc. (LCDFI), formerly Land Bank of the Philippines Educational Foundation, Inc. is a non-stock, non-profit foundation that was incorporated in 1983 under the provisions of the Corporation Code. The amended Articles of Incorporation was registered with the Securities and Exchange Commission on January 5, 1993 under Registration No. 110790, embodying Land Bank of the Philippines' (LBP) commitment to spur development in the countryside particularly among its priority sectors such as the small farmers and fisherfolks, agrarian reform beneficiaries (ARBs), Countryside Financial Institutions, small and medium enterprises and Overseas Filipino Workers (OFWs).

The initial seed money of LCDFI came from the donation of the LBP in the amount of P5,000,000 which must be kept intact and invested in safe and high yield securities and only the earnings thereof shall be used for the purpose of which LCDFI was created. Annually, LBP transfers funds to LCDFI based on approved Work and Financial Plan.

The affairs and business of LCDFI are directed by the Board of Trustees, which is composed of a Chairman and seven trustees as members. The corporate officers are the President, the Executive Director, the Corporate Secretary and the Corporate Treasurer. One of the seven members of the Board of Trustees and two corporate officers are officers of LBP.

LCDFI has 19 regular employees and 3 contractual employees as of December 31, 2024.

The registered office of LCDFI is located at the 14th floor LANDBANK Plaza, M.H. Del Pilar cor Dr. J. Quintos Sts., Malate, Manila.

SCOPE OF AUDIT

The audit covered the examination, on a test basis, of the accounts and financial transactions of LCDFI for the period January 1 to December 31, 2024 in accordance with the International Standards of Supreme Audit Institutions. We conducted our audit to express an opinion on the fairness of presentation of the financial statements for the years ended December 31, 2024 and 2023 and to assess compliance with pertinent laws, rules and regulations, as well as adherence to prescribed policies and procedures.

FINANCIAL HIGHLIGHTS (In Philippine Peso)

1. Comparative Financial Position

Particulars	2024	2023	Increase/ (Decrease)
Assets	57,514,147	75,955,142	(18,440,995)
Liabilities	12,339,737	9,679,370	2,660,367
Net Assets/ Equity	45,174,410	66,275,772	(21,101,362)

2. Comparative Results of Operations

Particulars	2024	2023	Increase (Decrease)
Revenues	46,420,231	38,523,462	7,896,769
Expenses	53,157,176	37,330,738	15,826,438
Net Surplus/(Deficit)	(6,736,945)	1,192,724	(7,929,669)

3. Comparison of Budget and Actual Expenditures

	Approved Budget	Actual Expenditures	Difference
A. Personnel Services	18,796,813	15,670,464	3,126,349
B. Maintenance and Other Operating Expenses	36,731,235	32,002,460	4,728,775
C. Financial Expense	3,000	6,253	3,253

AUDITOR'S OPINION

The Auditor rendered an unmodified opinion on the fairness of presentation of the financial statements of the LCDFI as at December 31, 2024 and 2023.

SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

1. Fund transfers to five Training Partners for the Financial Literacy Program (FLP) of LCDFI totaling P3.633 million remain unliquidated as of December 31, 2024, and are already past the prescribed timelines for liquidation, contrary to COA Circular Nos. 94-013 and 2007-001.

We recommended and Management agreed to follow up with the five Training Partners for submission of the liquidation reports on utilization of funds within the first semester of 2025, otherwise, pursue legal remedies available to LCDFI to hold persons responsible accountable for the non-liquidation.

2. Disposal of 44 unserviceable properties has not yet been undertaken, contrary to Section 79 of Presidential Decree (PD) No. 1445 and Part 1.A, Item 3.0 of COA-DBM Joint Circular (JC) No. 2024-01, resulting in further deterioration of said properties and loss of potential income had these been disposed through auction or negotiated sale.

We recommended and Management agreed to undertake disposal of the 44 properties found unserviceable and defective, and to determine the value and appropriate mode of disposal in accordance with Section 79 of PD No. 1445 and COA-DBM JC No. 2024-01.

STATUS OF TOTAL SUSPENSIONS, DISALLOWANCES AND CHARGES

As of December 31, 2024, LCDFI had an outstanding audit disallowance of P561,000. There were no outstanding audit suspensions and charges at the end of the year.

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

The three audit recommendations in the Calendar Year (CY) 2023 Annual Audit Report were implemented in CY 2024.

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PART I
AUDITED FINANCIAL STATEMENTS



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees

LANDBANK Countryside Development Foundation, Inc.
14th Floor, LANDBANK Plaza
1598 M. H. Del Pilar cor. Dr. J. Quintos Sts.
Malate, Manila 1004

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **LANDBANK Countryside Development Foundation, Inc. (LCDFI)**, a non-stock, non-profit organization, which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows for the years then ended, and statement of comparison of budget and actual amount for the year ended December 31, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LCDFI as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, and comparison of budget and actual amount for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the LCDFI in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the LCDFI's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the LCDFI or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the LCDFI's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LCDFI's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LCDFI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LCDFI to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under the Revenue Regulations 15-2010 in Note 25 and Revised Securities Regulation Code Rule 68 in Note 28 to the CY 2024 financial statements are presented for purposes of filing with the Bureau of Internal Revenue and the Securities and Exchange Commission, respectively, and are not a required part of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT



MARIE FRANCES HAZEL S. ACEBEDO
Supervising Auditor

March 5, 2025



**LANDBANK Countryside
Development Foundation, Inc.**



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The Management of LANDBANK Countryside Development Foundation, Inc. is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year(s) ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing LANDBANK Countryside Development Foundation, Inc.'s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the LANDBANK Countryside Development Foundation, Inc. or to cease operations, or has no realistic alternative to do so.

The Board of Trustees is responsible for overseeing LANDBANK Countryside Development Foundation, Inc. financial reporting process.

The Board of Trustees reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

The Commission on Audit has audited the financial statements of the LANDBANK Countryside Development Foundation, Inc. in accordance with International Standards of Supreme Audit Institutions, and its report to the Board of Trustees, has expressed its opinion on the fairness of presentation upon the completion of such audit.

CONSUELO N. PADILLA
Chairperson of the Board

ROY C. OSCILLADA
Executive Director

ANNALENE M. BAUTISTA
Corporate Treasurer

February 12, 2025

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
As at DECEMBER 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	1,166,472	1,874,931
Receivables	5	36,774,086	34,081,609
Financial Assets - Held-to-maturity	6	9,658,017	16,598,220
Inventories	7	9,360	13,440
Other Current Assets	8	2,755	85,683
Total Current Assets		47,610,690	52,653,883
Non-Current Assets			
Receivables	5	486,017	457,250
Financial Assets - Held-to-maturity	6	8,797,291	22,482,820
Intangible Assets	9	34,667	50,667
Property and Equipment, net	10	585,482	310,522
Total Non-Current Assets		9,903,457	23,301,259
Total Assets		57,514,147	75,955,142
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	7,853,946	5,529,681
Inter-Agency Payables	12	394,572	309,431
Provisions	13	4,091,219	3,840,258
Total Current Liabilities		12,339,737	9,679,370
Total Liabilities		12,339,737	9,679,370
Net Assets		45,174,410	66,275,772
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)	23	29,495,726	25,757,279
Retained Earnings	15, 23	15,678,684	40,518,493
Total Net Assets/ Equity		45,174,410	66,275,772

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF FINANCIAL PERFORMANCE
For the years ended DECEMBER 31, 2024 AND 2023
(In Philippine Peso)

	Note	2024	2023
REVENUE			
Grants and Donations	16	44,754,985	37,075,100
Business Income	17	1,661,905	1,448,362
Other Non-Operating Income	18	3,341	0
Total Revenue		46,420,231	38,523,462
EXPENSES			
Personnel Services	19	16,218,504	16,565,302
Maintenance and Other Operating Expenses	20	36,830,279	20,683,392
Non-Cash Expenses	21	101,040	63,540
Financial Expenses	22	7,353	18,504
Total Expenses		53,157,176	37,330,738
Net Income/(Deficit) for the Period		(6,736,945)	1,192,724

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the years ended **DECEMBER 31, 2024 AND 2023**
(In Philippine Peso)

	Accumulated Surplus/ (Deficit)	Retained Earnings	Total
	(Note 23)	(Notes 15 & 23)	
BALANCE AT JANUARY 1, 2023	26,684,845	40,373,657	67,058,502
Add/(Deduct):			
Net Surplus for the Year	1,192,724	0	1,192,724
Appropriation of Retained Earnings	(144,836)	144,836	0
Other Adjustments	(1,975,454)	0	(1,975,454)
BALANCE AT DECEMBER 31, 2023	25,757,279	40,518,493	66,275,772
Add/(Deduct):			
Net Surplus for the Year	(6,736,945)	0	(6,736,945)
Appropriation of Retained Earnings	(160,191)	160,191	0
Other Adjustments	10,635,583	(25,000,000)	(14,364,417)
BALANCE AT DECEMBER 31, 2024	29,495,726	15,678,684	45,174,410

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
For the years ended **DECEMBER 31, 2024 AND 2023**
(In Philippine Peso)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Cash receipts from donors		29,098,513	25,970,226
Cash receipts from advances of employees		2,237,334	1,059,700
Cash Receipts from Employees		5,568	8,821
Income from trainings		60,000	0
Other Receivables		909,859	672,646
Total Cash Inflows		32,311,274	27,711,393
Cash Outflows			
Cash payment to Government, suppliers and employees		(54,263,750)	(45,610,554)
Total Cash Outflows		(54,263,750)	(45,610,554)
Net Cash used in Operating Activities		(21,952,476)	(17,899,161)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from matured investments	6	41,500,000	25,000,000
Interest Received		104,017	467,139
Total Cash Inflows		41,604,017	25,467,139
Cash Outflows			
Placements in investments	6	(20,000,000)	(15,000,000)
Purchases of Property and Equipment		(360,000)	(174,995)
Total Cash Outflows		(20,360,000)	(15,174,995)
Net Cash provided by Investing Activities		21,244,017	10,292,144
Net Decrease in Cash and Cash Equivalents		(708,459)	(7,607,017)
Cash and Cash Equivalents, January 1	4	1,874,931	9,481,948
Cash and cash Equivalents, December 31	4	1,166,472	1,874,931

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
For the year ended December 31, 2024
Budget on Cash Basis

	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual (Note 24)
	Original	Final		
RECEIPTS				
Donation	72,106,635	47,399,883	13,200,000	34,199,883
Interest Income	354,400	500,000	104,017	395,983
Training Fees	0	0	60,000	(60,000)
Other Income	0	0	3,341	(3,341)
	72,461,035	47,899,883	13,367,358	34,532,525
PAYMENTS				
Personnel Services	24,776,000	18,797,000	15,670,464	3,126,536
Maintenance and Operating Expenses	47,719,000	36,527,000	32,002,460	4,524,540
Capital Outlay	250,000	180,000	180,000	0
Financial Expense	0	3,000	6,253	(3,253)
	72,745,000	55,507,000	47,859,177	7,647,823
NET RECEIPTS/(PAYMENTS)	(283,965)	(7,607,117)	(34,491,819)	26,884,702

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

(Amounts in Philippine Peso unless otherwise stated)

1. GENERAL INFORMATION

LANDBANK Countryside Development Foundation, Inc. (LCDFI) formerly Land Bank of the Philippines (LANDBANK) Educational Foundation, Inc. is a non-stock, non-profit foundation that was incorporated in 1983 under the provisions of the Corporation Code. The amended Articles of Incorporation was registered with the Securities and Exchange Commission on January 5, 1993 under Registration No. 110790, embodying Land Bank of the Philippines' commitment to spur development in the countryside particularly among its priority sectors such as the small farmers and fisherfolks, agrarian reform beneficiaries (ARBs), Countryside Financial Institutions, small and medium enterprises and Overseas Filipino Workers (OFWs).

The registered office of LCDFI is located at the 14th floor LANDBANK Plaza, M.H. Del Pilar cor Dr. J. Quintos Sts., Malate, Manila.

The financial statements of LCDFI were authorized for issue by the Board of Trustees on January 31, 2025 and were signed on February 12, 2025 by the LCDFI Chairperson of the Board of Trustees, President and Chief Executive Officer and Corporate Treasurer as shown in the Statement of Management Responsibility for Financial Statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1. Statement of Compliance

The financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) prescribed for adoption by the Commission on Audit through COA Resolution No. 2014-003 dated January 24, 2014.

2.2. Basis of Financial Statements Preparation

The financial statements have been prepared based on historical cost, unless stated otherwise. The Statements of Cash Flows are prepared using the direct method. The financial statements are prepared on an accrual basis in accordance with the IPSASs.

The financial statements are presented in Peso (P) which is also the country's functional currency. Amounts are rounded off to the nearest peso, unless otherwise stated.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the presentation of the Financial Statements are set out below. These policies have been consistently applied throughout the year presented.

3.1. Financial Instruments

a. Recognition / Measurement

i. Initial Recognition

The LCDFI recognizes a financial asset or a financial liability in its statements of financial position when, and only when, the LCDFI becomes a party to the contractual provisions of the instrument.

ii. Initial measurement

The financial asset or financial liability is recognized initially at its fair value. The initial measurement of the financial asset or financial liability, except for those not at fair value through surplus or deficit, includes transaction cost that are directly attributable to the acquisition or issue of the financial asset and financial liability.

b. Financial Assets

i. Classification of financial assets

Financial assets within the scope of IPSAS 41- Financial Instruments: Recognition and Measurement, LCDFI shall classify financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus or deficit on the basis of both:

- a) The entity's management model for financial assets and
- b) The contractual cash flow characteristics of the financial asset.

The LCDFI's financial assets include: cash and cash equivalents, quoted and unquoted financial instruments.

ii. Subsequent measurement

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the LCDFI has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method. Amortized cost is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

iii. Derecognition

The LCDFI derecognizes a financial asset when, and only when:

a) The contractual rights to the cash flows from the financial asset expire or are waived.

b) The LCDFI has transferred its contractual rights to receive the cash flows of the financial assets; or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in paragraph 16 of IPSAS 41-Financial Instruments: Recognition and Measurement; and if, and only if, LCDFI has met all of the following three conditions:

- The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

- The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

- The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the settlement period from the collection date to the date required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

iv. Impairment of financial assets

The LCDFI assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty
2. Default or delinquency in interest or principal payments
3. The probability that debtors will enter bankruptcy or other financial reorganization
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

For financial assets carried at amortized cost, the LCDFI first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the LCDFI determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assessed the impairment for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the LCDFI. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

c. Financial Liabilities

i. Classification of financial liabilities

Financial Liabilities within the scope of IPSAS 41- Financial Instruments: Recognition and Measurement are classified as financial liabilities at fair value through surplus or deficit, or financial liabilities at amortized cost, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

The LCDFI's financial liabilities include the accounts payable, inter-agency payable and other payables.

ii. Subsequent measurement

After initial recognition, the LCDFI measures its financial liabilities at amortized cost using the effective interest method, except for:

- a) Financial liabilities at fair value through surplus or deficit;
- b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- c) Financial guarantee contracts;
- d) Commitments to provide a loan at a below-market interest rate; and

- e) Contingent consideration recognized by an acquirer in a public sector combination to which IPSAS 40 applies.

iii. **Derecognition**

An entity shall remove a financial liability from its statement of financial position when, and only when, it is extinguished.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, shall be recognized in surplus or deficit.

d. **Offsetting a financial asset and financial liability**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when, and only when, an entity:

- a) Currently has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle liability simultaneously.

e. **Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

3.2. **Cash and Cash Equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash in bank and cash on hand.

3.3. **Inventories**

Inventory is measured at cost upon initial recognition.

Inventories are recognized as an expense when consumed in the ordinary course of operations.

3.4. **Property, Plant and Equipment**

a. **Recognition**

An item is recognized as property, plant and equipment (PPE) if it meets the characteristics and recognition criteria as PPE.

The characteristics of PPE are as follows:

- i. Tangible items;
- ii. Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- iii. Are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- i. it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- ii. the cost of fair value of the item can be measured reliably; and
- iii. the cost is at least P50,000.00

b. Measurement at recognition

An item recognized as property, plant and equipment is measured at cost.

Cost includes the following:

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii. Expenditures that are directly attributable to the acquisition of the items.

c. Subsequent Measurement

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

d. Depreciation

The depreciation charge for each period is recognized as expense.

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

The straight-line method of depreciation is adopted.

The LCDFI uses the life span of PPE prescribed by COA in determining the specific estimated useful life (EUL) for each asset based on its experience, details below:

Classification	EUL
1. Office Equipment	
* IT- Equipment, Furniture and Fixtures	5
* Furniture and Fixtures	10
2. Leasehold Improvements	
* Land	10
* Building	
- Wood	10
- Mixed	20
- Concrete	30
3. Transportation Equipment	
* Motor Vehicles	7

The LCDFI uses a residual value equivalent to at least 10 per cent of the cost of the PPE.

e. Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

f. Derecognition

The LCDFI derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.5. Budget Information

The annual budget is approved on a cash basis and is published in the government website.

In preparing the Statement of Comparison of Budget and Actual Amounts (SCBAA), the following were observed:

- a. In cases where there is no estimated revenue reflected on the approved budget, the actual collections shall be considered as the estimated revenue (Final).
- b. Only those collections pertaining to current year's revenue/income shall be considered.
- c. Only disbursements pertaining to current year's utilizations shall be considered.

3.6. Related Parties

The LCDFI regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the LCDFI, or vice versa.

3.7. Employee Benefits

The LCDFI employees are now part of the Government Insurance Service System (GSIS), offering life and retirement insurance coverage. The transition from Social Security System (SSS) membership for LCDFI employees began in January 2023.

The LCDFI recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense and as a liability after deducting the amount paid.

3.8. Measurement Uncertainty

The preparation of financial statements in conformity with IPSAS requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates include the useful life of a capital asset, estimated employee benefits, and rates of amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

3.9. Changes in Accounting Policies and Estimates

The LCDFI recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The LCDFI recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The LCDFI corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.10. Revenue from Non-exchange Transactions

- a. Recognition and measurement of assets from non-exchange transactions

An inflow of resources from non-exchange transaction, other than services in-kind that meets the definition of an asset are recognized as asset if the following criteria are met:

- i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- ii. The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as the date of acquisition.

b. Recognition of revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As LCDFI satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

c. Measurement of revenue from non-exchange transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

d. Measurement of liabilities on initial recognition from non-exchange transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

e. Gifts and donations

The LCDFI recognizes the assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

f. Transfers

The LCDFI recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

g. Services in-kind

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

h. Transfers from other government entities

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the LCDFI and can be measured reliably.

3.11. Revenue from Exchange Transactions

Revenue is measured at the fair value of the consideration received or receivable.

The LCDFI recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

4. CASH AND CASH EQUIVALENTS

This comprises the following:

	2024	2023
Cash in bank- Local Currency	1,146,472	1,844,992
Petty cash fund	20,000	20,000
Cash collecting officer	0	9,939
	1,166,472	1,874,931

5. RECEIVABLES

This comprises the following:

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Inter-Agency Receivables	35,399,995	0	35,399,995	26,102,696	0	26,102,696
Other Receivables	1,374,091	486,017	1,860,108	7,978,913	457,250	8,436,163
Total	36,774,086	486,017	37,260,103	34,081,609	457,250	34,538,859

Inter-Agency Receivables

	2024	2023
Current		
Due from Parent Corporation	31,554,985	17,574,377
Due from NGAs	3,845,010	8,528,319
Total	35,399,995	26,102,696

Other Receivables

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Receivables-Disallowances/Charges	0	457,250	457,250	0	457,250	457,250
Due from Officers and Employees	79,091	0	79,091	73,801	0	73,801
Other Receivables	1,295,000	28,767	1,323,767	7,905,112	0	7,905,112
Total	1,374,091	486,017	1,860,108	7,978,913	457,250	8,436,163

The amount of P457,250 recorded under Receivables-Disallowances/Charges forms part of the P561,000 disallowed payments made to LCDFI Officers and Board of Directors. This disallowance was affirmed under COA Decision No. 2012-018 dated February 16, 2012. The difference between the recorded amount and the disallowed amount is under reconciliation.

Aging/Analysis of Receivables

As at December 31, 2024

Accounts	Total	Not Past Due		Past Due	
			<30 days	30-60 days	>60 days
Due from Parent Corporation	31,554,985	31,554,985	0	0	0
Due from NGA	3,845,010	1,507,450	0	0	2,337,560
Receivables-Disallowances/Charges	457,250	0	0	0	457,250
Due from Officers and Employees	79,091	9,899	0	0	69,192
Other Receivables	1,323,767	0	0	0	1,323,767
Total	37,260,103	33,072,334	0	0	4,187,769

6. FINANCIAL ASSETS- HELD TO MATURITY (FA-HTM)

This comprises the following:

	2024	2023
HTM	18,455,308	39,057,380
Interest Receivable	0	23,660
	18,455,308	39,081,040

Breakdown of the HTM, including interest receivable

	2024	2023
HTM- Investment in Trust	18,455,308	30,457,820
HTM- Investment in Bonds- Local	0	8,623,220
	18,455,308	39,081,040

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
HTM- Investment in Trust	9,658,017	8,797,291	18,455,308	7,975,000	22,482,820	30,457,820
HTM- Investment in Bonds- Local	0	0	0	8,623,220	0	8,623,220
Total	9,658,017	8,797,291	18,455,308	16,598,220	22,482,820	39,081,040

Reconciliation of carrying amounts of FA-HTM:

Particulars	Amount
Beginning Balance as at January 1, 2024	39,081,040
Additional investment	20,000,000
Collection of matured investment	(41,500,000)
Amortization of discount /(premium) on the acquisition of investment	874,269
Interest Receivable	0
Balance as at December 31, 2024	18,455,309

Particulars	Amount
Beginning Balance as at January 1, 2023	48,132,317
Additional investment	15,000,000
Collection of matured investment	(25,000,000)
Amortization of discount /(premium) on the acquisition of investment	925,063
Interest Receivable	23,660
Balance as at December 31, 2023	39,081,040

7. INVENTORIES

This comprises the following:

	2024	2023
Accountable Forms	9,360	13,440
	9,360	13,440

8. OTHER CURRENT ASSETS

This comprises the following:

	2024	2023
Prepayments	789	0
Other Deposits	1,966	85,683
Total	2,755	85,683

9. INTANGIBLE ASSETS

In February 28, 2022, the LCDFI's website in the amount of P80,000.00 was purchased and became operational. The amortization expense amounted P16,000 each for CY 2024 and CY 2023.

	2024	2023
Carrying Amount, January 1	50,667	66,667
Amortization	16,000	16,000
Carrying Amount, December 31	34,667	50,667

10. PROPERTY AND EQUIPMENT

Reconciliation of carrying amounts:

As at December 31, 2024

Particulars	Office Equipment	Vehicle	Info & Communication Technology	Total
Carrying Amount, January 1, 2024	48,400	88,220	173,902	310,522
Additions/Acquisitions	0	0	360,000	360,000
Total	48,400	88,220	533,902	670,522
Depreciation	(9,900)	0	(75,140)	(85,040)
Carrying Amount, December 31, 2024	38,500	88,220	458,762	585,482
Gross Cost	55,000	882,200	592,255	1,529,455
Additions/Acquisitions	0	0	360,000	360,000
Accumulated Depreciation	(16,500)	(793,980)	(493,493)	(1,303,973)
Carrying Amount, December 31, 2024	38,500	88,220	458,762	585,482

As at December 31, 2023

Particulars	Office Equipment	Vehicle	Info & Communication Technology	Total
Carrying Amount, January 1, 2023	0	88,220	94,847	183,067
Additions/Acquisitions	55,000	0	119,995	174,995
Total	55,000	88,220	214,842	358,062
Depreciation	(6,600)	0	(40,940)	(47,540)
Carrying Amount, December 31, 2023	48,400	88,220	173,902	310,522
Gross Cost	55,000	882,200	592,255	1,529,455
Accumulated Depreciation	(6,600)	(793,980)	(418,353)	(1,218,933)
Carrying Amount, December 31, 2023	48,400	88,220	173,902	310,522

11. FINANCIAL LIABILITIES

This comprises the following accounts:

	2024	2023
Accounts Payable	7,774,390	5,375,058
Due to Officers and Employees	79,556	154,623
	7,853,946	5,529,681

12. INTER AGENCY PAYABLES

This comprises the following accounts:

	2024	2023
Due to GSIS	235,729	175,928
Due to BIR	54,915	51,593
Due to PhilHealth	62,595	50,095
Due to Pag-IBIG	22,498	18,058
Due to Parent Corporation	14,302	0
Due to SSS	4,533	13,757
	394,572	309,431

13. PROVISIONS

	2024	2023
Leave Benefits Payable	3,344,472	3,093,511
Retirement Gratuity Payable	746,747	746,747
	4,091,219	3,840,258

14. ACCUMULATED SURPLUS

This account is the cumulative results of normal and continuous operations of LCDFI including prior period adjustments, effect of changes in accounting policy and other capital adjustments.

The significant adjustment primarily stems from the submission of the liquidation report by Financial Literacy Program training partners for previous years.

15. RETAINED EARNINGS

	2024	2023
Reserve Fund	678,684	25,518,493
Restricted Fund	15,000,000	15,000,000
	15,678,684	40,518,493

a. Reserve fund – This represents the 10 per cent portion of earnings from investments set aside as reserve for future technology upgrading and other contingencies.

b. Restricted fund – This represents the seed fund donated by LBP in the amount of Five Million pesos (P5,000,000.00) which must be kept intact and invested in safe and high yield securities and only the earnings thereof shall be used for the purpose for which LCDFI was created. The Bangko Sentral ng Pilipinas also donated Ten Million pesos (P10,000,000.00) as seed fund.

16. GRANTS AND DONATIONS

This account represents donations from the following donor:

	2024	2023
Land Bank of the Philippines	44,754,985	37,075,100
	44,754,985	37,075,100

The recognition of donation income was in accordance with the provisions of IPSAS 23.

17. BUSINESS INCOME

This account comprises Interest Income and collection of fees for customized trainings conducted.

	2024	2023
Interest income	1,601,905	1,448,362
Seminar/Training Fees	60,000	0
	1,661,905	1,448,362

The Interest Income pertains to earnings in the following financial assets:

	2024	2023
Treasury Investments	81,319	480,048
Trust Account	1,498,213	955,621
AR Bonds	20,476	10,555
Current Account	1,897	2,138
	1,601,905	1,448,362

18. OTHER NON-OPERATING INCOME

This account comprises collection from various suppliers of liquidation damages.

19. PERSONNEL SERVICES

This comprises the following:

	2024	2023
Salaries and Wages	10,471,860	10,406,974
Other Compensation	3,584,551	3,631,403
Personnel Benefit Contributions	1,614,053	1,500,312
Other Personnel Benefits	548,040	1,026,613
	16,218,504	16,565,302

Salaries and Wages

	2024	2023
Salaries and Wages- Regular	9,227,719	10,267,572
Salaries and Wages- Casual/Contractual	1,244,141	139,402
	10,471,860	10,406,974

Other Compensation

	2024	2023
Year End Bonus	915,841	865,324
Personnel Economic Relief Allowance	497,614	481,779
Clothing/Uniform Allowance	138,266	74,880
Representation Allowance	253,500	312,000
Transportation Allowance	253,500	312,000
Cash Gift	110,000	100,000
Productivity Incentive Allowance	107,500	95,000
Overtime and Night Pay	111,344	47,086
Mid Year Bonus	734,336	903,334
Other Bonuses and Allowances	462,650	440,000
	3,584,551	3,631,403

Personnel Benefit Contributions

	2024	2023
Retirement and Life Premiums	1,268,407	1,258,723
PhilHealth Contributions	250,089	192,989
Pag-IBIG Contributions	70,257	24,300
Employees Compensation Insurance Premiums	25,300	24,300
	1,614,053	1,500,312

Other Personnel Benefits

	2024	2023
Retirement Gratuity	0	0
Terminal Leave Benefits	548,040	1,026,613
	548,040	1,026,613

Employee Future Benefits

In compliance with the provisions of the Retirement Law [Republic Act (RA) No. 7641] which requires corporation to provide retirement benefits for their employees, and the National Internal Revenue Code (RA No. 8424), which allows tax deductibility of employer's contributions for the retirement benefits of its employees, the LCDFI has established a retirement fund pursuant to Board Resolution No. 10-011 dated July 09, 2010.

In July 2010 to June 2016, prior to the opening of an Employee Retirement Plan with LBP-Trust Banking Group (TBG), the LCDFI accrued on a monthly basis 5 per cent of the basic salary of employees and this was taken up as Other Payables. In July 2016 the monthly accrual was increased to 6.3 per cent pursuant to Board Resolution No. 16-021 and 2016 Actuarial Valuation Report.

The LCDFI's retirement plan is a funded non-contributory defined benefit plan with a single lump sum payment covering retirement and ancillary benefits. The normal retirement benefit is a percentage of final monthly salary per year of service equal to one-half month basic salary, where one-half month salary shall mean fifteen days salary based on the latest salary rate, five days of service incentive leaves, and one-twelfth (1/12) of the 13th month pay or 22.5 days pay for every year of service after satisfying certain age and service requirements.

In March 2022, the LCDFI commissioned the services of an independent appraiser to perform an actuarial valuation on the retirement plan of LCDFI.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation are as of March 31, 2022. The employee data used in the March 31, 2022 valuation is composed of 23 employees with an average age of 39.4 years, average past service of 7.6 years and average expected future service of 13.5 years. The actuarial valuation report was performed with the objective to recommend a contribution amount for the year following the March 31, 2022 valuation date.

The retirement plan is 45 per cent funded with a deficit of P3.8 million. The figures were obtained by comparing the Accrued Liability and Plan Assets illustrated in the table below.

Valuation Date	March 31, 2022
Accrued Liability	6.9 million
(Plan Asset)	(3.1 million)
Funding Deficit (Surplus)	3.8 million
Funding Ratio	45 per cent

The Accrued Liability of the Projected Unit Credit method is the part of the actuarial present value of benefits allocated to all periods prior to the valuation date.

For the year following the valuation date, the recommended contribution amounts to P1.4 million or 10.5 per cent of payroll. This recommended contribution for the current year is composed of the following:

- a) Normal Cost, amounting to 7.8 per cent of payroll, represents the actuarial present value of benefits allocated to the valuation year.
- b) Amortization cost, amounting to 2.7 per cent of payroll, represents the amount intended to amortize the funding deficit over 14 years – the average expected future service years of the employees.

The table summarizes the composition of the recommended contribution.

	Amount (P)	% Payroll (12 mos.)
Normal Cost	1.0 million	7.8
Amortization Cost	0.4 million	2.7
Recommended Contribution	1.4 million	10.5

Actuarial cost method and assumptions

A. Details

1. Valuation Date	March 31, 2022
2. Actuarial Cost Method	Projected Unit Credit Method
3. Retirement Date	Age 60 with at least five years of service
4. Expected Return Rate on Assets	4.00 per cent compounded annually
5. Salary Increase Rate	4.00 per cent compounded annually
6. Currency	Peso (P), unless otherwise specified
7. Mortality Table	2017 Philippine Intercompany Mortality Table – Age Last Birthday Basis, published by the Actuarial Society of the Philippines
8. Disability Table	2013 SS Total Disability Rates (Baseline Scenario), published in the 2015 Actuarial Valuation of the Social Security System of the Philippines
9. Turnover Table	Representative rates:

Service Years	Annual Rate
0	10.0%
1	9.5%
2	9.0%
3	8.6%
4	8.2%
5	7.7%
10	4.6%
15	2.0%
20+	1.0%

The turnover rate is set to one per cent for ages 50 and above

The Projected Unit Credit method or Accrued Benefit Allocation method was used and it complies with the Actuarial Society of the Philippines Guidance Note GN 2016-01. The Accrued Liability or Present Value of Defined Benefit Obligation is the part of the Actuarial Present Value of Benefits allocated to all periods prior to the valuation date. The Normal Cost or Current Service Cost is the part of the Actuarial Present Value of Benefits allocated to the valuation year.

Allocation of Plan Assets

Cash and Cash Equivalents	25.6%
Government Securities	74.6%
Trust Fee Payables	(0.1%)
Other Payables	(0.1%)

The LCDFI's Retirement Fund is being administered by LBP-TBG, responsible for the investment strategy of the Plan. The Statement of Financial Position as at December 31, 2024 prepared by LBP-TBG showed that the Net Assets balance of the Retirement Fund amounted to P2,986,100. The Net Assets balance is composed of Principal of P2,985,888 and Accumulated Income of P169,644, with Net Unrealized Gain amounting to P9,781 as at December 31, 2024.

In CY 2023, as a result of the implementation of the Compensation and Position Classification System (CPCS) outlined in Executive Order No. 150, s. 2021, LCDFI suspended the accrual and contribution to the employee retirement plan. LCDFI and other LBP Subsidiaries are currently awaiting clarification from the Governance Commission for GOCCs (GOCCs) regarding this issue.

In 2024, LCDFI received clarification from GCG confirming that it may continue implementing its retirement plan, provided it complies with RA No. 7641. LCDFI will engage actuarial services to update the actuarial valuation.

20. MAINTENANCE AND OTHER OPERATING EXPENSES

This comprises of the following expenses:

	2024	2023
Training and Scholarship Expenses	28,230,594	17,442,489
Confidential, Intelligence and Extraordinary Expenses	576,230	555,356
Communication Expenses	398,465	428,942
Supplies and Materials Expense	1,478,638	865,550
Travelling Expenses	192,383	65,215
Survey Expense	2,999,883	116,558
Labor and Wages	496,953	0
Professional Services	1,027,149	477,015
Repairs and Maintenance	46,144	27,971
Taxes, Insurance Premiums and Other Fees	37,295	52,636
Other Maintenance and Operating Expenses	1,346,545	651,660
	36,830,279	20,683,392

Communication Expenses

	2024	2023
Telephone Expenses	263,402	246,848
Internet Subscription Expenses	112,028	156,518
Postage and Courier Services	23,035	25,576
	398,465	428,942

Supplies and Materials Expense

	2024	2023
Office Supplies Expenses	1,184,780	410,136
Semi-Expendable Machinery and Equipment	281,280	341,564
Fuel, Oil and Lubricants Expenses	4,800	2,700
Accountable Forms Expenses	5,880	4,920
Other Supplies and Materials	1,898	106,230
	1,478,638	865,550

Professional Services

	2024	2023
Auditing Services	977,570	426,544
Consultancy Services	0	0
Legal Services	49,579	16,971
Other Professional Services	0	33,500
	1,027,149	477,015

Repairs and Maintenance

	2024	2023
Repairs and Maintenance-Transportation Equipment	46,144	10,192
Repairs and Maintenance-Machinery and Equipment	0	17,779
	46,144	27,971

Taxes, Insurance Premiums and Other Fees

	2024	2023
Taxes, Duties and Licenses	22,719	23,296
Fidelity Bond Premium	10,611	20,457
Insurance Expenses	3,965	8,883
	37,295	52,636

Other Maintenance and Operating Expenses

	2024	2023
Membership Dues and Contributions to Organizations	25,000	25,000
Representation Expenses	475,635	441,363
Major Events and Conference	841,484	175,857
Subscription Expenses	3,946	8,410
Documentary Stamps	220	0
Other Maintenance and Operating Expenses	260	1,000
	1,346,545	651,660

21. NON-CASH EXPENSES

	2024	2023
Depreciation Expense	85,040	47,540
Amortization- Intangible Assets	16,000	16,000
	101,040	63,540

22. FINANCIAL EXPENSES

This represents the bank charges amounting to P7,353 and P18,504 in CY 2024 and 2023, respectively.

23. FUND BALANCES

	Accumulated Surplus/ (Deficit)				Retained Earnings			
	Program Dev't. Fund	Gen& Admin Fund	Program Fund	Total Acc. Surplus/ (Deficit)	Reserve Fund	Restricted fund	Total RE	Total
Revenues				0				
Donation		10,112,665	34,642,320	44,754,985			0	44,754,985
Interest Income	961,143	480,571		1,441,714	160,191		160,191	1,601,905
Seminar/ Training Fees			60,000	60,000			0	60,000
Other Income		3,341		3,341				3,341
TOTAL	961,143	10,596,577	34,702,320	46,260,040	160,191	0	160,191	46,420,231
Expenses								
PS		7,114,574	9,103,930	16,218,504	0	0	0	16,218,504
MOOE		2,814,971	34,015,308	36,830,279	0	0	0	36,830,279
Financial expense		3,120	4,233	7,353	0	0	0	7,353
Non-cash Expense		101,040		101,040	0	0	0	101,040
TOTAL	0	10,033,705	43,123,471	53,157,176	0	0	0	53,157,176
Excess of revenue over expenses	961,143	562,872	(8,421,151)	(6,897,136)	160,191	0	160,191	(6,736,945)
RE-App.	0	0	0	0	0	0	0	0
Fund Balance, 12/31/2023	2,435,621	390,511	22,931,147	25,757,279	25,518,493	15,000,000	40,518,493	66,275,772
Prior Period Adjustment	(407,668)	(79,972)	(13,876,777)	(14,364,417)		0	0	(14,364,417)
Transfer			25,000,000	25,000,000	(25,000,000)		(25,000,000)	0
Fund Balance, End 12/31/2024	2,989,096	873,411	25,633,219	29,495,726	678,684	15,000,000	15,678,684	45,174,410

24. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

The difference between the final budget and actual amounts are presented as follows:

a. Donation

The variation stems from the actual donation receipt differing from the expected amount from the donor.

b. Personnel Services

23 of 24 budgeted plantilla were filled as of December 31, 2024.

c. Maintenance and Other Operating Expenses

In CY 2024, cost savings were achieved through the simultaneous scheduling of activities (such as training and monitoring on the same date), and certain events were conducted online, contributing to reduced expenses.

25. SUPPLEMENTARY INFORMATION ON REVENUE REGULATION

In compliance with the requirements set forth by Revenue Regulation No. 15-2010, hereunder are the information on taxes, licenses and fees paid or accrued during the taxable year:

A. Local

	2024	2023
Mayor's permit	20,009	19,986
Barangay clearance	0	0
	20,009	19,986

B. National

	2024	2023
BIR registration	0	500
Registration of Vehicle	6,675	6,703
	6,675	7,203

C. Withholding taxes paid/accrued for the year:

	2024	2023
Taxes on compensation and benefits	799,221	877,510
Creditable withholding Tax	307,573	276,371
Final VAT and Percentage Tax	257,254	154,155
	1,364,048	1,308,036

26. RISK DISCLOSURE

The LCDFI management maintains the same investment policy.

a. Credit risk

LCDFI's credit risk exposures emanated from its placements. With investments limited to fixed income securities and other financial instruments issued by the Government and its instrumentalities, the risk of non-collection is very remote.

b. Liquidity Risk

Liquidity risk is likewise insignificant as investments can easily be liquidated when the need arises to meet maturing or current obligations.

27. RELATED PARTY DISCLOSURES

The LCDFI is a corporate foundation whose parent bank is the LBP. The following table provides the total amount of transactions which have been entered into with related parties for CY 2024:

Related Party	Transactions	Amount
Land Bank of the Philippines	Donations	13,200,000
LBP-Trust Banking Group	Investments in government securities	18,455,309

Allowances and other benefits of Key Management Personnel

	2024	2023
Board of Trustees (BOTs)	395,018	327,331
Extraordinary and Miscellaneous (Reimbursable Expenses)		
Corporate Officers		
Representation and Transportation Allowance	497,000	504,000
Extraordinary and Miscellaneous (Reimbursable Expenses)	190,951	243,762
Other Benefit and Bonuses	462,043	889,503
	1,545,012	1,964,596

28. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

RATIO	FORMULA	2024	2023
Current ratio	Current assets / Current Liabilities	4.07	5.44
Acid Test ratio	(Cash + Short Term Investments + A/R) / Current Liabilities	4.07	5.43
Solvency Ratios	(Net Income + Non-Cash Expense) / Total Liabilities	(0.32)	0.13
Debt-to-equity ratio	Total Liabilities / Total Equity	0.26	0.15
Asset-to-equity ratio	Total Assets / Total Equity	1.26	1.15
Return on equity	Net Income / Total Equity	(9%)	2%
Return on Assets	Net Income / Total Assets	(7%)	2%
Net profit margin	Net Income / Revenue	(8%)	3%

PART II

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATIONS AND RECOMMENDATIONS

NON - FINANCIAL ISSUES

1. Fund transfers to five Training Partners for the Financial Literacy Program of LCDFI totaling P3.633 million remain unliquidated as of December 31, 2024, and are already past the prescribed timelines for liquidation, contrary to COA Circular Nos. 94-013 and 2007-001.

1.1. LCDFI, as a corporate foundation of LBP, implements FLP as capacity building services to individual farmers, fishers and other farm workers to uplift their socio-economic condition by making them productive and institutionally viable. The FLP involves partnerships with government institutions or non-governmental organizations (NGOs) to provide training and developmental interventions that will improve the farmer's financial management skills and create "agriprenuership" or improve cooperative's capacity to deliver quality services to its membership, positively impacting their business performance and operations. The FLP is geared to contribute to increased and stable household incomes and improved access to economic, social, and financial services.

1.2. In CY 2020, LCDFI started its partnerships with State Universities and Colleges (SUCs) and Cooperatives as its Training Partners that will provide Financial Literacy Trainings in municipalities with no banks. As the source agency, it provides the funds for training meals, transportation, logistics, goods, and other related expenditures to finance the various components and activities of the FLP. On the other hand, the Training Partner, as the Implementing Agency (IA) makes available the services of professional resource speakers and other necessary personnel who provide the financial literacy training, monitoring and evaluation of the program.

1.3. The partnership between LCDFI and the Training Partners is covered by a Memorandum of Agreement (MOA) which serves as the legal basis for the download of training funds from LCDFI and reportorial requirements. The MOA includes provisions on the release of funds, periodic inspection/evaluation, reporting, monitoring requirements, processing of liquidation, date of commencement and date of completion.

1.4. The Funds transferred by LCDFI to SUCs are governed by COA Circular No. 94-013 dated December 13, 1994 on the Rules and Regulations in the Grant, Utilization and Liquidation of Funds transferred to Implementing Agencies. Items 4.6 and 4.9 thereof provide the guidelines on the liquidation and return of unused balance of funds, to wit:

4.6 Within ten (10) days after the end of each month/end of the agreed period for the Project, the IA shall submit the Report of Checks Issued (RCI) and the Report of Disbursement (RD) to report the utilization of the funds. Only actual project expenses shall be reported. The reports shall be approved by the Head of the IA.

4.9 The IA shall return to the SA any unused balance upon completion of the project.

1.5. The same requirement for Cooperatives is echoed in COA Circular No. 2007-01 dated October 25, 2007, the Revised Guidelines in the Granting, Utilization, Accounting and Auditing of the Funds Released to Non-Governmental Organizations/People's Organizations (NGOs/POs). Items 4.5.3 (e) and (m) thereof provide that:

4.5.3 The project shall be covered by a MOA which shall embody the terms of reference such as:

e. Specific period to liquidate funds granted to the NGO/PO, with the GO;

m. The return by the NGO/PO to the granting GO of any amount not utilized to complete the project, including interest, if any.

1.6. Consistent with the rules and regulations in the granting, utilization and liquidation of funds transferred to Implementing Agencies, the specific period to liquidate funds and the return of any amount not utilized to complete the projects were stated in the MOA of the LCDFI and its Training Partners.

1.7. Review of the schedules of Due from National Government Agencies and Other Receivables accounts showed balances that are yet to be liquidated as of December 31, 2024. The details are as shown in Table 1:

Date of Fund Transfer	Training Partner	Timeline for Final Liquidation and Terminal Report per MOA	With extension letter	No. of days unliquidated	Amount (P)
<i>State Universities and Colleges</i>					
May 15, 2023	Basilan State College	1 st week of December 2023	None	390	462,500.00
July 10, 2021	Mindanao State University-Sulu	November 2022	None	762	580,060.00
June 8, 2023	Mindanao State University-Tawi Tawi	December 16, 2024	None	15	1,295,000.00
Subtotal					2,337,560.00
<i>Cooperatives</i>					
Sept. 14, 2023	Candelaria Multi-purpose Cooperative	1 st week of December 2023	None	390	740,000.00
Sept. 20, 2023	Holy Child Central Colleges	November 2022	Yes, until Dec. 31, 2023	365	555,000.00
Subtotal					1,295,000.00
Total					3,632,560.00

Table 1 Unliquidated Balances

1.8. As presented in the table, timelines for final liquidation and terminal report per MOA have already expired as of December 31, 2024, without approval of further extension beyond 2024. Upon inquiry, the program officers confirmed the following:

- a. Basilan State College, due to change of coordinator, was not able to submit liquidation reports for the trainings conducted in CY 2023.

- b. Mindanao State University-Sulu, despite trainings conducted in CY 2022, has not yet submitted liquidation reports to LCDFI.
- c. Mindanao State University-Tawi Tawi conducted trainings in CY 2024 and has not yet submitted liquidation reports.
- d. Candelaria Multipurpose Cooperative conducted trainings in CY 2023 but submitted only attendance sheets to LCDFI, without accomplishment reports.
- e. Holy Child Central Colleges conducted trainings in CY 2023 and has not yet submitted liquidation reports.

1.9. As provided in the MOA, and consistent with COA Circular No. 94-013 and COA Circular No. 2007-01, the Training Partners are required to submit to LCDFI the Accomplishment Reports, Fund Utilization Reports and Certification from the Training Partner's Accountant attesting to the accuracy and completeness of the submitted liquidation reports for every fund released. FLP program officers, however mentioned that only attendance sheets and accomplishment reports were submitted by the above-mentioned Training Partners as proofs that trainings were conducted.

1.10. In response to the prior year's audit observations and recommendations on the same issue, LCDFI required all Training Partners to refund any unliquidated balances as of December 31, 2023. The follow-up and demand letters set April 30, 2024 as the deadline for Training Partners to liquidate. Despite this, they have not liquidated or returned the funds to LCDFI as of December 31, 2024. LCDFI provided copies of the follow-up and demand letters, which were verified by the audit team as sent through email to the Training Partners.

1.11. The unliquidated fund transfers to five Training Partners totaling to P3,632,560 as of December 31, 2024 are contrary to Items 4.6 and 4.9 of COA Circular No. 94-013 and Item 4.5.3 (m) of COA Circular No. 2007-001.

1.12. We recommended and Management agreed to follow up with the five Training Partners for submission of the liquidation reports on utilization of funds within the first semester of 2025, otherwise, pursue legal remedies available to LCDFI to hold persons responsible accountable for the non-liquidation.

2. Disposal of 44 unserviceable properties has not yet been undertaken, contrary to Section 79 of Presidential Decree No. 1445 and Part 1.A, Item 3.0 of COA-DBM Joint Circular No. 2024-01, resulting in further deterioration of said properties and loss of potential income had these been disposed through auction or negotiated sale.

2.1. Section 79 of PD No. 1445, Government Auditing Code of the Philippines, provides that:

When the government property has become unserviceable for any cause or is no longer needed, it shall, upon application of the officer accountable therefore, be inspected by the head of the agency or his duly authorized representative in the presence of the auditor concerned and, if found to be valueless or unsalable, it may be destroyed in their presence. If found to be valuable, it may be sold at public auction to the highest bidder under the supervision of proper committee on award or similar body in the presence of the auditor concerned or other duly authorized representative of the Commission, after advertising by printed notice in the Official Gazette, or for not less than three consecutive days in any newspaper of general circulation, or where the value of the property does not warrant the expense of publication, by notices posted for a like period in at least three public places in the locality where the property is to be sold. In the event that the public auction fails, the property may be sold at a private sale at such price as may be fixed by the same committee or body concerned and approved by the Commission.

2.2. Moreover, Part 1.A, Item 3.0 on Background and Purpose of COA-DBM JC No. 2024-1 dated January 30, 2024, Revised Manual of the Disposal of Government Properties, states that "Disposal proceedings shall be immediately initiated to avoid further deterioration of the properties and consequent depreciation of their value. A systematic and timely disposal will yield benefits in terms of, among others, possibility of alternative use, higher appraised value, and enabling storage areas available for other purposes."

2.3. Consistent with the requirements of disposal proceedings for government properties, LCDFI Special Order No. 41, Series of 2024 was issued re: Designation of LCDFI Inventory and Disposal Committee, and providing duties and responsibilities therefore, to wit:

1.1 As Disposal Committee, they will ensure speedy process of disposal of properties in accordance with relevant laws, rules and regulations in order to ensure that:

- a. Continuing/carrying inventory costs is eliminated;
- b. Accountable employees are relieved of unnecessary and/or excess accountability;
- c. Office is effectively decongested from properties for disposal; and
- d. Undertake the disposal proceedings for the properties, e.g. conduct of public auction, condemnation/destruction of properties, among others, on an "as is, where is" basis.

2.4. The Inventory Custodian Slip Report indicated 44 properties that are "defective for disposal". The Physical Inventory count was conducted on December 11 to 12, 2024 and further determined that these properties are unserviceable and defective. Details as shown in Table 2:

Property No.	Name & Description	Date Acquired
LAPTOP		
2016-05-030-010-006	DELL XPS 12.5 CORE M Touchscreen Win10	6/16/2016
2016-05-030-010-007	Dell Inspiron 7559 Core i7 Touchscreen	6/16/2016
1-2015-05-030-040-60	Laptop Acer Aspire E5-473-37XV-Charcoal	23/12/2015
1-2015-05-030-040-61	Laptop Acer Aspire E5-473-37XV-Charcoal	23/12/2015
1-2015-05-030-030-62	Laptop Acer Aspire E5-473-37XV-Charcoal	23/12/2015
1-2015-05-030-030-63	Laptop Acer Aspire E5-473-37XV-Charcoal	23/12/2015
1-2016-05-030-040-64	IDEAPAD-100-14 ibd Intelcore 13	19/12/2016
1-2016-05-030-030-65	IDEAPAD-100-14 ibd Intelcore 13	19/12/2016
1-2017-05-030-040-66	Laptop DELL 15.6" Icore i5	5/10/2017
1-2017-05-030-010-67	Lenovo Laptop (silver w/ complete accs)	15/8/2017
1-2018-05-030-040-68	ACER SF31454-38YZ with Microsoft Office	6/10/2018
1-2019-05-030-040-69	Laptop ACER Notebook	23/7/2019
1-2019-05-030-040-70	Laptop ACER Notebook	23/7/2019
DESKTOP		
2009-05-030-040-002	HP DC 7900 Form Factor Desktop	24/7/2009
2010-05-030-040-003	HP DC 7900 SFF Desktop Comp	19/2/2010
2012-05-030-040-004	Compaq 8200 elite CMT PC w/ office 2010	30/4/2012
2012-05-030-010-005	Compaq 8200 elite CMT PC w/ office 2010	30/4/2012
1-2010-05-030-040-48	HP DC 7900 SFF Desktop Computer	19/2/2010
1-2011-05-030-040-49	HP 8000 Elite Desktp Computer	4/4/2011
1-2014-05-030-040-50	ACER Computer	16/9/2014
1-2014-05-030-010-51	ACER Computer	16/9/2014
1-2014-05-030-020-52	ACER Computer	16/9/2014
1-2014-05-030-040-53	ACER Computer	16/9/2014
1-2014-05-030-040-54	ACER Computer	16/9/2014
1-2015-05-020-030-55	Lenovo CPU & Monitor	9/1/2015
1-2015-05-020-020-56	ACER CPU & Monitor	9/1/2015
2-2017-05-020-030-148	CPU HP Compaq 6300 PRO MT Intel Core5 Lenovo Thinkcenter 18.5 LCD Monitor (SV1W4301)	4/9/2017
2-2017-05-020-040-149	CPU HP Compaq 6300 PRO MT Intel Core5, LV1911 18.5 LCD Monitor (6CM2300FOL)	4/9/2017
2-2017-05-020-010-150	CPU HP Compaq 6300 PRO MT Intel Core5 (130002933) with ACER monitor	4/9/2017
2-2017-05-020-030-151	CPU ACER Veriton M6620G (2600F8A9600) Lenovo flat LCD 18.5" monitor (SVF1F8Y58)	4/9/2017
2-2017-05-020-030-314	ACER Desktop	4/9/2017
1-2003-05-020-010-06	Guest Chair Low back (Black)	10/9/2003
1-2003-05-020-010-07	Guest Chair Low back (Black)	10/9/2003
1-2003-05-020-040-12	Staff Chair with Armrest Swivel-green	3/11/2003
2-1993-05-020-030-108	Exec Visitor Chair w/armrest-gray	1/7/1993
2-1993-05-020-010-110	Visitor chair no armrest-gray	1/7/1993
2-1993-05-020-010-111	Visitor chair no armrest-gray	1/7/1993
2-2019-05-020-030-114	Sec Chair STM-1005-F with Armrest	8/30/2019
2-2019-05-020-030-116	Sec Chair STM-1005-F with Armrest	8/30/2019
2-2019-05-020-030-118	Sec Chair STM-1005-F with Armrest	8/30/2019
2-2021-05-020-010-121	Chair w/armrest thick cushion swivel	1/15/2021
2-2003-05-020-010-309	Manager's Chair	10/10/2003
2-2003-05-020-010-311	Card Rack 50 slots	8/26/2003
1-2018-05-020-010-104	Biometrics (Finger time Attendance)	2/12/2018

Table 2 Unserviceable and Defective Properties

2.5. On August 22, 2022, the physical inventory conducted showed that 41 of the 44 properties inspected were already determined as defective. However, no disposal of properties has been initiated by the Inventory and Disposal Committee. Inquiry with the Property Officer/Chairman of the Inventory and Disposal Committee disclosed that additional disposal procedures have not been undertaken yet as of December 31, 2024, such as determination whether the properties are valueless or can be sold at scrap value,

as required under Section 79 of PD No. 1445 and of COA-DBM JC No. 2024-1 because they are still drafting the LCDFI guidelines on disposal.

2.6. The delay in the timely disposal proceedings exposed the properties to further deterioration and consequently, decrease in value. LCDFI is also losing benefits in terms of possibility of alternative use, higher appraised value and generation of income, and decongestion of the office space.

2.7. **We recommended and Management agreed to undertake disposal of the 44 properties found unserviceable and defective, and to determine the value and appropriate mode of disposal in accordance with Section 79 of PD No. 1445 and COA-DBM JC No. 2024-01.**

2.8. The LCDFI guidelines on disposal has recently been completed and approved for implementation under Board Resolution No. 25-007 dated February 25, 2025. Management committed to complete the disposal within the first quarter of 2025.

Gender and Development (GAD)

3. LCDFI is compliant with Philippine Commission on Women Memorandum Circular No. 2023-02 dated September 11, 2023 on the preparation and submission of FY 2024 GAD Plan and Budget, as well as the required GAD Budget of at least five per cent of the agency's total budget.

Compliance with Tax Laws

4. The taxes withheld in CY 2024 from the compensation and benefits of LCDFI personnel and from suppliers amounting to P799,221 and P564,827 respectively, as disclosed in Note 25 of the CY 2024 Financial Statements, were remitted to the Bureau of Internal Revenue within the reglementary period.

GSIS Contributions and Remittances

5. In CY 2024, LCDFI complied with RA No. 8291 on the collection and remittance of contributions to GSIS as follows:

- a. Mandatory monthly contribution of covered employees and employer in accordance with Section 5.
- b. Remittance of employees' and employer's contributions and employees' compensation premium within the due date pursuant to Section 6.

Philhealth and Pag-ibig Fund Premiums

6. In CY 2024, LCDFI complied with Title III, Rule III, Section 18 of the Implementing Rules and Regulations of RA No. 7875, as amended, in the payment of national health insurance premium contributions to the Philhealth.

6.1 LCDFI also complied with Rule VII, Section 3 of the Implementing Rules and Regulations of RA No. 9679 in the collection and remittance of contributions to the Pag-ibig Fund.

Status of Disallowances, Suspensions and Charges

7. The balance of disallowance amounting to P5,133,830.02 as of December 31, 2024 pertains to Notice of Disallowance (ND) No. LBP-Subs. 2008-015 (2002-2003) dated August 11, 2008, on the payments of additional allowances and benefits to LBP Officials acting as Officers/Board of Directors of LBP subsidiaries. Of the total amount disallowed, P561,000 pertains to payments to LCDFI Officers/Board of Directors. The disallowance was affirmed under COA Decision No. 2012-018 dated February 16, 2012.

7.1 A Motion for Reconsideration, filed by LBP with COA on March 19, 2012, was denied by the Commission, through its Resolution dated April 4, 2014, for lack of merit. Subsequently, the Legal Services Group, LBP, filed a Petition for Certiorari to the Supreme Court on August 4, 2014 on the subject COA Resolution.

7.2 On October 5, 2021, LBP received the Supreme Court (SC) Notice of Judgment with the Decision where the Petition for Certiorari filed by LBP and LIBI, LBRDC, LLFC, MSI and LCDFI (collectively referred to as the "Subsidiaries") was DISMISSED. Further, SC En Banc Resolution dated April 5, 2022 denied with finality Petitioners' Motion for Reconsideration of the SC Decision dated October 5, 2021 for Petitioners' failure to raise any substantial argument in support thereof. The said Decision affirmed with modification COA Decision No. 2012-018 dated February 16, 2012, thereby holding the members of the LBP Subsidiaries' Board of Directors solidarity liable for the return of the disallowed amount under ND No. LBP-Subs. 2008-015 (2002-2003) dated August 11, 2008, relative to the payment of additional allowances and benefits to LBP officials acting as officers/members of the Board of Directors of LBP Subsidiaries, amounting to P5,133,830.02, while the payees are individually liable to return the disallowed amounts they respectively received.

PART III

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

**STATUS OF IMPLEMENTATION OF PRIOR YEAR'S
AUDIT RECOMMENDATIONS**

The three audit recommendations in the CY 2023 Annual Audit Report were implemented in CY 2024.